

Can corp

See



ALL-CAN HOLDINGS LTD.

annual report

1975



"TALK BACK"... All Day.

790 AM · RADIO · 102.1 FM



ALL-CAN HOLDINGS LTD.

*Incorporated under the laws of the
Province of British Columbia*

Officers and Directors

LESLIE A. ALLEN
*President and
Chief Executive Officer*
Toronto, Ontario

A. T. R. CAMPBELL, Q.C.
Director
Partner, Davis & Company
Barristers & Solicitors
Vancouver, B.C.

PROF. JAMES A. BEVERIDGE
Director
Professor
Motion Pictures, School of Fine Arts
York University
Toronto, Ontario

JAMES A. COWAN
Director
Public Relations Counsel
Toronto, Ontario

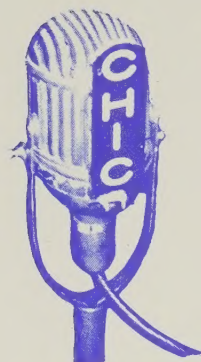
HARRY J. ALLEN, JR.
Secretary and Director
Toronto, Ontario

Solicitors
Davis & Co.
Vancouver, B.C.

Auditors
Fuller Jenks Landau
Toronto, Ontario

Registrar and Transfer Agents
Guaranty Trust Company of Canada
540 Burrard Street 88 University Ave.
Vancouver, B.C. Toronto, Ont.

Class B shares are listed on Toronto and
Vancouver Stock Exchanges.



PRESIDENT'S REPORT

To The Shareholders:

Submitted herewith is the consolidated financial statement for your company and its subsidiaries for the fiscal year ending August 31, 1975.

Our subsidiary's FM radio station will have new call letters, CFNY-FM, as from January 1st, 1976. We hope as a result of a public hearing on January 13, 1976 to secure Canadian Radio-Television Commission approval of an FM power increase. The FM radio station will program 18 hours daily separate from CHIC-AM during 1976, thus reaching target date for same, whether or not the FM power increase is granted.

Your company will continue its efforts to grow, consolidate such growth through the years ahead and at the same time effect economies in accordance with the Canadian government anti-inflation guidelines.

On behalf of the Board of Directors,

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Leslie A. Allen'.

Leslie A. Allen,
President.

October 28, 1975



and subsidi

(Incorporated under the laws of

CONSOLIDATED

AUGUS

ASSETS

	1975	1974
CURRENT		
Cash	\$ 13,384	\$ 2,551
Accounts receivable	47,734	34,493
Notes receivable	—	2,103,125
Inventories, note 1(b)	7,616,259	1,572,486
Prepaid expenses	6,472	5,484
Loan receivable — 10%	—	914,740
	<u>7,683,849</u>	<u>4,632,879</u>
DEFERRED		
Notes receivable	—	1,305,695
Deferred portion of accounts receivable	—	567
Due from affiliated corporation	—	4,459
	<u>—</u>	<u>1,310,721</u>
FIXED, note 2	<u>316,565</u>	<u>306,533</u>
OTHER, note 3	<u>517,005</u>	<u>509,679</u>
	<u>\$8,517,419</u>	<u>\$6,759,812</u>

Approved on behalf of the Board:

“J. A. Cowan”, Director

“Leslie A. Allen”, Director

AUDITORS' REPORT

To the Shareholders
All-Can Holdings Ltd.

We have examined the consolidated balance sheet of All-Can Holdings Ltd. and its subsidiaries as at August 31, 1975 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at August 31, 1975 and the results of their operations and the changes in their financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario
October 21, 1975

FULLER JENKS LANDAU
Chartered Accountants

ALL-CAN HOLDINGS LTD.

companies

(Province of British Columbia)

BALANCE SHEET

1975

LIABILITIES

	1975	1974
CURRENT		
Bank loans, note 4	\$ 619,617	\$ 642,411
Accounts payable and accrued liabilities	245,000	258,067
Income taxes payable	13,108	3,300
Due to other corporations	13,021	26,626
Due to directors	24,095	—
Deferred income	10,839	13,233
Deferred income taxes, note 5	2,783,327	1,929,957
Current portion of long-term debt, note 6	228,705	119,338
	<u>3,937,712</u>	<u>2,992,932</u>
LONG TERM		
Deferred income	—	6,945
Long-term debt, less current portion, note 7	888,088	957,155
	<u>888,088</u>	<u>964,100</u>
DEFERRED INCOME TAXES, note 5	71,000	61,486
	<u>4,896,800</u>	<u>4,018,518</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK, note 8	897,500	897,500
RETAINED EARNINGS	2,723,119	1,843,794
	<u>3,620,619</u>	<u>2,741,294</u>
	<u>\$8,517,419</u>	<u>\$6,759,812</u>

CONSOLIDATED STATEMENT OF RETAINED EARNINGS FOR THE YEAR ENDED AUGUST 31, 1975

	1975	1974
RETAINED EARNINGS, beginning of year	\$1,843,794	\$ 931,759
Adjustment of prior years' current and deferred income taxes	—	(48,551)
	1,843,794	883,208
Net income for the year	879,325	960,586
RETAINED EARNINGS, end of year	<u>\$2,723,119</u>	<u>\$1,843,794</u>

**ALL-CAN HOLDINGS LTD.**

and subsidiary companies

(Incorporated under the laws of the Province of British Columbia)

**CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED AUGUST 31, 1975**

	1975	1974
INCOME	\$2,742,978	\$2,806,148
EXPENSES excluding depreciation, amortization and non-recurring costs	482,322	539,544
INCOME FROM OPERATIONS (before depreciation, amortization and non-recurring costs) ..	2,260,656	2,266,604
Depreciation	22,221	17,000
Amortization of film costs	486,226	169,926
	508,447	186,926
INCOME FROM OPERATIONS before non-recurring costs	1,752,209	2,079,678
Non-recurring costs	—	134,272
INCOME, before taxes	1,752,209	1,945,406
PROVISION FOR INCOME TAXES		
Current	30,000	(26,952)
Deferred	842,884	1,011,772
	872,884	984,820
NET INCOME FOR THE YEAR	\$ 879,325	\$ 960,586
EARNINGS PER PARTICIPATING SHARE	\$1.02	\$1.11

**CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 1975**

	1975	1974
WORKING CAPITAL WAS PROVIDED BY:		
Net income for the year	\$ 879,325	\$ 960,586
Add items not requiring an expenditure of funds:		
— Depreciation	22,221	17,000
— Deferred income taxes	9,514	1,815
	911,060	979,401
Copyrights written off	—	8,708
Reduction of long term assets	1,310,721	10,168
	2,221,781	998,277
WORKING CAPITAL WAS APPLIED TO:		
Deferred expenses	7,326	—
Purchase of fixed assets	32,253	43,392
Incorporation expense	—	1,525
Reduction in long term debt	76,012	97,473
Investments in unconsolidated subsidiaries	—	(5)
Deferment of notes receivable	—	1,305,695
	115,591	1,448,080
INCREASE (DECREASE) IN WORKING CAPITAL	2,106,190	(449,803)
WORKING CAPITAL, beginning of year	1,639,947	2,089,750
WORKING CAPITAL, end of year	\$3,746,137	\$1,639,947
WORKING CAPITAL REPRESENTED BY:		
Current assets	\$7,683,849	\$4,632,879
Current liabilities	3,937,712	2,992,932
	\$3,746,137	\$1,639,947

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — AUGUST 31, 1975

1. Statement of Significant Accounting Policies

(a) Basis of consolidation

The consolidated financial statements include the accounts of the company's wholly-owned subsidiaries CHIC Radio Limited, All-World Cinema Limited, Green Ink Limited, Belleville Media Limited and Media All-Can Inc.

(b) Inventory

Inventory consists of unamortized film and print costs. Films and prints are acquired for specified periods or in perpetuity and the costs are amortized over the period of anticipated revenue.

(c) Income recognition

Income from film distribution is recognized as instalment payments become due although certain contracts may extend the film rights beyond the payment term.

2. Fixed Assets

	1975		1974	
	Cost	Accumulated depreciation	Cost	Accumulated depreciation
Lands	\$ 80,585	\$ —	\$ 80,585	\$ —
Buildings	44,947	13,262	44,947	12,062
Radio equipment	275,840	115,304	249,693	104,672
Projection equipment	34,000	25,087	34,000	22,859
Mobile telephones	9,380	4,104	9,380	2,346
Furniture and fixtures	37,519	23,656	36,913	21,571
Automobiles	8,413	2,687	2,913	983
Leasehold improvements	25,669	15,688	25,669	13,074
	<u>516,353</u>	<u>199,788</u>	<u>484,100</u>	<u>177,567</u>
Cost less accumulated depreciation	<u>\$316,565</u>		<u>\$306,533</u>	

The company provides for depreciation at the following rates:

Declining balance	— Buildings	— 5% per annum
	— Projection equipment	— 20% per annum
	— Mobile telephones	— 25% per annum
	— Furniture and fixtures	— 20% per annum
	— Automobiles	— 30% per annum
Straight line	— Radio equipment	— 5% per annum
	— Leasehold improvements	— 10% per annum

3. Other Assets, at cost

	1975	1974
Incorporation and organization expenses	\$ 27,737	\$ 27,737
Deferred expenses	22,752	15,426
Radio licenses — nominal value	2	2
Goodwill	466,514	466,514
	<u>\$517,005</u>	<u>\$509,679</u>

Expenses of certain subsidiaries have been deferred until such time as the subsidiaries become actively involved in the earning of income.

4. Bank Loans

The bank loans are secured by a general assignment of book debts.

5. Deferred Income Taxes

Subsidiary companies follow the income tax allocation basis of accounting whereby the provision for income taxes relates to the accounting income for the period. The cumulative tax effect of timing differences relates to current assets and fixed assets and is classified accordingly. In the prior year, \$393,000 was set out as current income taxes payable whereas, as a result of amending the method of claiming capital cost allowance for tax purposes, the amount represented deferred income taxes and accordingly has been reclassified as such for comparative purposes.

6. Current Portion of Long Term Debt

A subsidiary has withheld payment to a supplier called for in December 1974 pending delivery of certain material and the resolution of outstanding claims.

7. Long Term Debt, less current portion

Mortgages payable — secured by lands and buildings:

11% first mortgage due 1980	\$ 49,433
12% first mortgage due 1980	50,606
7% first mortgage due 1977	1,792
9 ³ / ₄ % first mortgage due 1978	3,663
Lien note, secured by certain radio equipment, due 1979	4,817
	<u>110,311</u>

Notes payable

(a) \$100,000 due 1976 and 1977 without interest

(b) \$50,000 due annually 1977-1986 without interest

Other — 1976 \$11,111; 1977 \$16,666; \$5,555 due annually 1978-1986

77,777
\$888,088

The noteholder (a) has initiated a legal action for current payment of these notes. Management believes the action is without merit and accordingly the notes are recorded as a long-term liability in accordance with their due dates.

8. Share Capital

Authorized:

1,040 Class A voting, non-participating shares, no par value

4,250,000 Class B non-voting, participating shares, no par value

Issued and fully paid:

1,040 Class A shares

860,000 Class B shares

1975	1974
\$130,000	\$130,000
767,500	767,500
<u>\$897,500</u>	<u>\$897,500</u>

9. Commitments

A subsidiary company has entered into long term leases of land which requires annual rentals of \$15,000 until 1984 and \$10,000 until 1994.

10. Comparative Figures

The 1974 comparative figures were reported on by the company's previous auditors and their report should be read in conjunction with 1974 figures. Certain figures in the 1974 financial statements have been restated to conform with the basis of presentation used in 1975.

11. Other

A subsidiary company is negotiating a definitive agreement for the acquisition, subject to Canadian Radio-Television Commission approval, of a major broadcasting activity.

12. Statutory Information

The direct remuneration paid or payable by the company to the directors or senior officers of the company for the year ended August 31, 1975 was \$51,550 (1974 — \$54,183).

Interest on long term indebtedness for the year ended August 31, 1975 was \$4,205.



CANADIAN and WORLD FILM DISTRIBUTION • CANADIAN BROADCASTERS



ALL-CAN HOLDINGS LTD.

*A public company with shares listed on the
Toronto and Vancouver Stock Exchanges.*

wholly owned subsidiaries:



ALL-WORLD CINEMA LIMITED

CHIC RADIO LIMITED

GREEN INK LIMITED

BELLEVILLE MEDIA LIMITED

MEDIA ALL-CAN INC.

Harry J. Allen Jr., and Leslie A. Allen,
officers of the above companies, are carrying
into the 70's, in Canada and throughout the world,
the entertainment tradition synonymous
with the Allen name since 1906.

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925-3173. Cable Address: LASALLEN, Toronto,
Canada.**